



**Testimony of Ted Doolittle**  
**Office of the Healthcare Advocate**  
**Before the Insurance and Real Estate Committee**  
**Re HB 7125**  
**March 5, 2019**

Good afternoon, Senator Lesser, Representative Scanlon, Senator Kelly, Representative Pavalock-D'Amato, and members of the Insurance and Real Estate Committee. For the record, I am Ted Doolittle, Healthcare Advocate for the State of Connecticut. The Office of the Healthcare Advocate ("OHA") is an independent state agency with a consumer-focused mission: assuring consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health plans; assisting consumers in disputes with their health insurance carriers; and informing legislators and regulators regarding problems that consumers are facing in accessing care, and proposing solutions to those problems.

I appreciate the opportunity to comment in support of HB 7125, An Act Concerning Parity For Mental Health And Substance Abuse Disorder Benefits, Nonquantitative Treatment Limitations, Drugs Prescribed For The Treatment Of Substance Abuse Disorders, And Substance Abuse Services. This bill would require health care insurers to disclose, to the Insurance Department and the public, additional data regarding their efforts to adhere to state and federal mental health parity laws. This additional transparency will provide the public with further assurances that consumers are receiving the full mental health benefits to which they are entitled under their health plans, and bolster the Insurance Commissioner's authority to detect violations and protect consumers when mental health benefits are unfairly limited. HB 7125 would also: add clarity to the scope of "nonquantitative" treatment limitations that are subject to our parity laws; ensure that

parity is applied to each health plan's prescription drug benefit; and eliminate step therapy and other barriers to the pharmaceutical treatment of substance abuse disorder.

Under our current legal framework, health insurance carriers are required each year, as part of their submission of proposed insurance rates, to certify to the Insurance Commissioner that their plans comply with certain aspects of the Mental Health Parity and Addiction Equity Act ("MHPAEA"). In addition to the carrier's certification, limited data must be submitted by the carrier to demonstrate its compliance with "quantitative" treatment limitations primarily related to its cost sharing structures. Carriers, however, are not required to submit substantial information related to other limitations, both quantitative and non-quantitative, on the utilization of mental health benefits, and how those limitations compare to the limitations imposed on the utilization of medical benefits. This limited data set is insufficient to provide the Insurance Commissioner, and the public, with adequate reassurances that their rights and the carriers' responsibilities under mental health parity are protected.

The need for further transparency regarding coverage of mental health care is critical. One of every five Americans has a mental health disorder, with higher rates among children and young adults. Of these, less than half receive treatment, and for young adults, that number drops to only about one-third. Nearly one in ten Americans struggle with substance use disorder (SUD) and, of those, 40% struggle with both SUD and an underlying mental illness.

Milliman, a leading healthcare actuarial and consulting firm, in 2017 released the results of the most exhaustive study of behavioral health utilization and experience that's been done to date, with claims data for 42 million consumers over three years, and the results are discouraging.<sup>1</sup> Despite having MHPAEA as the legal framework for crafting and providing equitable coverage for and access to behavioral health care services for ten years, and the Insurance Department's annual Parity Compliance Survey identifying no deficiencies in the provision of these benefits, the Milliman report provides a startling contrast to the presumption that Connecticut is a national parity leader. Instead, the report demonstrated unsettling patterns in the areas explored – member utilization of out-of-network versus in-

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<sup>1</sup> <http://www.milliman.com/uploadedFiles/insight/2017/NQTLDisparityAnalysis.pdf>

network PCPs, Specialists and Behavioral Health providers, and a comparison of reimbursement.

Milliman's review of in-network reimbursement rates provides some insight into this discrepancy, consistently demonstrating a 20%-30% lower reimbursement rate for behavioral health providers than what PCPs and specialists received. The claims data also showed that for insured consumers in an inpatient setting, people were receiving behavioral health treatment on an out-of-network basis (and thus at much greater cost) 8.63 times more often than they received in-network care in 2013, and a shocking 66.6 times more often in 2015. Connecticut was the second worst in the nation for this measure. For people receiving treatment in an outpatient setting, Connecticut was the seventh worst, with out-of-network facilities being utilized 11 times more often than in-network facilities in 2015. For routine office visits, which includes ongoing therapy that many people receive, Connecticut had the worst record in the nation, with 34.2% of the insured receiving these services out-of-network in 2015, compared to 3.3% of PCP and 4.3% of specialist visits. Undoubtedly, many people will choose to use an out-of-network provider for personal reasons, but the gross disparity in actual utilization belies an underlying access issue that consumers and providers have reported for years. The questions raised by the Milliman report raise many unanswered questions, showing that Connecticut needs more parity-related data and more analysis than the current system is producing.

In light of the concerns identified in Milliman's analysis of behavioral health claim data, it is clear Connecticut once again needs to make improvements to take its rightful place as a leader. The additional consumer protection and industry transparency provisions in HB 7125 are a healthy next step toward completing that mission.

Thank you very much for your consideration of this testimony. If you have any questions concerning our position on this issue, please feel free to contact me at [Ted.Doolittle@ct.gov](mailto:Ted.Doolittle@ct.gov).